

MINUTE ITEM

6/15/66

5. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,115 (482), L.B.W.O. 10,116 (481), L.B.W.O. 10,125 (324).

After consideration of Calendar Item 2 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THAT THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956, AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NUMBERS 324, 481, AND 482 THAT ARE DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., ARE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND AUTHORIZES THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment

Calendar Item 2 (3 pages)

2.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,115 (482), L.B.W.O. 10,116 (481), L.B.W.O. 10,125 (324).

On January 22, 1962 (Minute Item 18, page 7627), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Pier A, Berths 208-209, Partial Paving", AFE-482.

On January 22, 1962 (Minute Item 18, page 7627), and on September 27, 1962 (Minute Item 21, page 8339), the Commission approved the costs expended by the City for contractor and force account payments on subproject "Pier B, Warehouse No. 2, Relocation to Pier B, Berth 17", AFE-481.

On March 10, 1958 (Minute Item 23, page 3926), on July 25, 1958 (Minute Item 22, page 4187), on March 25, 1959 (Minute Item 21, page 4658), on June 25, 1959 (Minute Item 24, page 4969), and on May 24, 1960 (Minute Item 21, page 5989), the Commission approved the costs expended by the City for contractor and force account payments on subproject "Channel 2 Property, Berths 83-87, and Back Area Fills for Dikes", AFE-324.

The approvals on the above-listed projects were made subject to the conditions that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a) (1) of Chapter 29, Statutes of 1956, 1st E.S., would be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items was completed.

The work has been completed for the above-listed projects, final costs have been collected and transmitted to the staff by the Long Beach Harbor Department, and the final engineering reviews and audits have been made by the staff, with results summarized in Exhibit "A" attached.

Current accounts have been maintained during the progress of the work on these projects by allowing deductions of estimated subsidence costs from monthly oil-revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of the engineering review and final audit as shown on Exhibit "A" attached.

The Long Beach Harbor Department was informed of the results of the subject studies, and more detailed discussion was invited, following which agreement was reached with representatives of that Department, as confirmed by their letter of April 22, 1966.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THAT THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956, AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NUMBERS 324, 481, AND 482 THAT ARE DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., ARE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND AUTHORIZE THE EXECUTIVE OFFICER OR THE

CALENDAR ITEM 2 (CONTD.)

ASSISTANT EXECUTIVE OFFICER ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment
Exhibit "A"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION
OF THE WORK

<u>H.D.</u> <u>DESIG-</u> <u>NATION</u>	<u>LBWO</u> <u>NUMBER</u>	<u>TITLE</u>	<u>TOTAL SUB-</u> <u>SIDENCE</u> <u>DEDUCTIONS</u> <u>FROM RE-</u> <u>MITTANCE OF</u> <u>OIL REVENUE*</u>	<u>DETERMINA-</u> <u>TION OF</u> <u>ALLOWABLE</u> <u>SUBSIDENCE</u> <u>DEDUCTIONS</u>	<u>CREDIT DUE</u> <u>STATE or CITY</u>
AFE-324	10,125	Channel 2 Property, Berths 83-87 and Back Area Fills for Dikes	\$ 22,540.98	\$ 25,693.45	\$3,152.47
AFE-481	10,116	Pier B, Warehouse No. 2 Relocation to Pier B, Berth 17	26,573.99	25,892.46	\$681.53
AFE-482	10,111	Pier A, Berths 208- 209, Partial Paving	4,700.18	6,309.70	1,609.52

*Actual deductions made on the basis of
estimates by the Long Beach Harbor
Department of the amount of subsidence
costs in the project.